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ABSTRACT

This report contains the commission's broad statement on national employment policy. The statement calls for the development of a new American employment policy, one that addresses the major concerns relating to the creation of jobs and the preparation of the work force to fill the available jobs productively. The report discusses the background of the current economic situation and the anticipated changes in the economy and the work force over the next decade. It further proposes a set of principles upon which employment policy ought to be based. Finally, a set of initial broad policy recommendations are presented that need to be adopted to address the employment concerns of the United States for the future. (KC)

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An Employment Policy for America's Future

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Report No. 16
May 1983

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To the President and Congress
of the United States

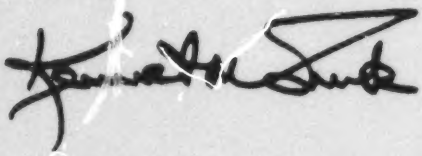
May 1983

The National Commission for Employment Policy is charged by law with identifying the employment needs and goals of the Nation and with making recommendations to the Congress and the President that are designed to meet those needs and goals. Although the Commission continuously researches and reviews current employment concerns, the Commission determined that there was a need for a broad statement on national employment policy at this time. This report provides that statement.

The statement calls for the development of a new American employment policy, which addresses the major concerns relating to the creation of jobs and the preparation of the work force to fill the available jobs productively. The report discusses the background of the current economic situation and the anticipated changes in the economy and the work force over the next decade. It further proposes a set of principles upon which employment policy ought to be based. Finally, it lays out a set of initial broad policy recommendations that it believes need to be adopted to address the employment concerns of the Nation for the future.

We strongly urge you to seriously consider the principles and recommendations contained in this report as the starting point for a truly effective American employment policy.

Sincerely,



Kenneth M. Smith
Chairman

An American Employment Policy

Prepared by the
National Commission for Employment Policy,
April 1983.

Introduction

The American economy is facing significant economic challenges, both immediate and long term. An unusually severe recession, rapidly advancing technology, and shifting international trade patterns, combined with a changing labor force, raise major concerns over employment patterns in the coming years.

An estimated 25 million net new jobs will have to be created in the economy during the 1980's just to bring unemployment down to the 6 percent range and keep up with the growth in the labor force. At the same time, millions of Americans will have to be educated, trained, and continually retrained to fill both new and existing jobs.

The United States can and, we believe, will rise to meet these challenges. But to do so will require consistent and determined action based on sound principles. In short, it will require the development of a new national employment policy.

The American people must address the issue of employment policy for two basic reasons. First, the development of employment policy is critical at an economic level because the ability to provide and employ a skilled work force is a basic requirement for economic growth and prosperity, and it is ultimately the measure of the Nation's long-term economic potential.

Equally important, it is critical to develop an employment policy for social reasons, because employment is one major link between individuals and society. Productive activity is a major part of a person's self-esteem, and individuals are tied in all sorts of ways to the well-being of our society simply because they have a job—paid or unpaid. Being without a job can reduce self-esteem, weakening and sometimes destroying the connection between society and the individual.

The United States, unlike many other nations, does not have a comprehensive national employment policy to facilitate the adjustment to current and future economic challenges. This is not entirely surprising, considering that the United States is a nation of over 230 million people with a decentralized form of government, a highly diverse and independent educational system, and a strong adherence to the idea of a free market economy. Any attempt to address the need for a national employment policy must clearly recognize these facts.

But this is not to say that a uniquely American employment policy cannot be developed to address the employment needs of the American people and the American economy well into the twenty-first century. The United States has the components for developing a workable policy. This country has a stable and open political system that allows for free discussion of policy alternatives, an abundance of economic resources, an essentially sound economic structure, and a diverse and talented labor force.

There are also the institutional arrangements that allow for the development of employment policy. Private employers hire and provide the job-specific training for an estimated four-fifths of the labor force. Employers, in turn, depend upon public and private educational institutions to provide the basic preparation for work in all fields. Organized labor has a major impact on the skills and working conditions of millions of Americans.

Further, the Federal Government, through general fiscal and monetary policies, as well as specific programs, greatly affects employment directly and indirectly, intentionally and unintentionally. State and local governments, through their activities in education, economic development, and other fields, also have a direct impact on employment opportunities in their areas.

Yet all these efforts—private and public—are often uncoordinated and, at times, work at cross purposes with one another.

Purpose

Through this statement, the Commission attempts to set a framework for a national discussion of the issues. The Commission believes it is most important that the public understands the changes facing the economy—because it is the American people, working through government, business, organized labor, education, and other institutions, who will make and be affected by the decisions.

As is evident throughout the statement, the Commission vigorously rejects the concept of a "centrally planned economy." Yet it also recognizes that the Federal Government and other major institutions have vital roles to play in the development and execution of national employment policy.

What follows is an overview of the American employment situation, the basic principles for considering employment policy issues, and an initial set of proposals for action to be taken in major areas affecting employment in the American economy over the next decade.

The Employment Situation: Now and In the Future

The Commission is encouraged by the recent reduction in the rate of inflation and interest rates, as well as by signs that the economy is beginning to recover from the current deep recession. However, we still view with concern both the immediate and long-term economic situation:

Current Unemployment Unemployment remains at an unacceptably high level and is likely to remain well above previously acceptable levels over the next two years, even with the currently anticipated economic recovery. Over 11 million people are unemployed and the American economy saw an absolute decline in employment of *nearly 1.3 million jobs during the recession.*

Long-Term Unemployment The number of long-term unemployed persons (27 weeks or more) in *April 1983 totaled almost 3 million.* Long-term unemployment is, in itself, a special problem, since research has shown that workers who remain jobless for extended periods of time lose skills as well as income, and encounter psychological difficulties that make it hard to obtain employment.

Base Rate of Unemployment The base rate of unemployment has been rising for the last 15 years. In the late 1960's this Nation had an actual unemployment rate of less than 4 percent. Each succeeding recession since then has ended with a post-recession unemployment rate higher than the previous one. The President's Council of Economic Advisers now estimates that the unemployment rate will "plateau" somewhere between 6 and 7 percent—meaning that some 6 to 7 million people would be unemployed even after the recession ends.

A large proportion of these people are estimated to be what is called "structurally" unemployed; that is, they do not have the education or skills necessary to gain employment in the modern American economy.

Trade Deficit The international trade deficit is expected to reach a record high in 1984. It has been estimated that since the recession officially began in the summer of 1981, depressed foreign trade has accounted for more than one-third of the decline in the U.S. gross national product. The recession has also spread throughout the world, affecting the economies of many of the United States' best customers even more than it has our own, thereby reducing demand for American exports.

Length of Recession The recession has been particularly long-lasting and pervasive. Officially, the recession began in July 1981 but many analysts argue that the current downturn really began with the 1980 recession from which there was only a brief and weak recovery.

Industrial Utilization Industrial capacity utilization has dropped by over one-third during the recession. And even though durable goods manufacturing was particularly hard hit, as is the normal case in a recession, a very broad cross section of all industries registered absolute declines in employment.

Business Failures Business failures *continue to set new records.* In 1982, the rate of bankruptcies was 50 percent greater than in the worst year of the last recession and greater than any other year since 1933.

How We Got Here: Reasons for the Current Situation

The causes of these current economic problems are varied, complex, and interrelated.

International Economy The entire U.S. economy has become increasingly "internationalized." Exports and imports have become an ever-larger share of the gross national product. Between 1970 and 1980 merchandise exports alone increased from 4.3 percent to 8.5 percent of the U.S. gross national product, while imports grew even faster, from 4.0 to 9.5 percent of GNP. For all the advantages of this larger worldwide trade, it leaves the U.S. more vulnerable to international economic situations over which it often has little control. While this process has been going on for decades, the 1970's saw rapidly increasing penetration of American markets by foreign goods.

Oil Imports The largest increase in dollar value of imports during the 1970's was in oil products, in part due to the series of international oil price increases that had a profound impact on domestic prices, consumer preferences, and interest rates, and led to severe dislocations.

Inflation High and varying inflation, resulting in part from the massive oil price increases, was a major factor throughout the 1970's—in the shift of investment capital away from long-term, relatively low-yield investments in basic industries; in forcing up interest rates; in reducing consumer buying power; and in changing consumer buying habits.

Interest Rates The efforts of the Federal Reserve Board to fight inflation through strict controls on the money supply put further upward pressure on interest rates. High real interest rates (i.e., actual interest rates minus inflation) sharply curtailed consumer demand for goods and services, discouraged business investment and, by increasing the foreign exchange value of the dollar, hurt the U.S. balance of trade.

Federal Deficit Federal expenditures increasing at a faster rate than Federal revenues have led to historically high Federal Government deficits. These deficits and the anticipation that they will continue for the foreseeable future have generated great concern in the financial markets, causing still more upward pressure on interest rates that appears to have had a negative psychological effect on investment in plants and equipment.

Infrastructure In many areas of the country, the physical infrastructure (e.g., transportation, communications, utilities) has not been maintained or expanded to provide for continued economic growth.

Illiteracy and Low Skills The numbers of functionally illiterate adults remained high and the Nation experienced a decline in estimated worker skill levels relative to other industrialized nations. These have had a direct effect on the current and potential competitiveness of American workers.

Where We are Headed: Expected Changes Over the Next Decade

While the Commission is deeply concerned about the current high unemployment rates, it is also very impressed with the magnitude of changes underway in the labor market that will have important long-term effects on employment. Many of the changes that are now beginning to take place in the labor market will evolve over the remainder of this century. Long-term solutions will be required to meet that challenge and cannot

be ignored in our concern with the short-term situation.

International Challenge The changing structure of the world economy and the continued growth in importance of international trade in the American economy will require a major rethinking of our approach to business management and Federal Government policies.

Number of Jobs Needed The economy will have to create some 25 million new jobs in the remainder of the 1980's alone to account for the growth in the labor force, to replace jobs lost over the last 2 years, and to reduce unemployment to 6 percent by the end of the decade. While overall population growth has slowed in recent years, total labor force growth is projected to continue to be substantial. By the end of the 1980's, approximately 125 million people are expected to be in the work force. That is a net growth of 20 million from 1980 compared to 24 million over the decade of the 1970's.

Nature of the Labor Force Changes in the labor force itself will also affect the employment situation over the next decade. The work force will be maturing as the baby boom generation moves into the middle years. By the end of the decade the typical worker will be older and better educated than today's worker. While there will be fewer younger workers—as the 16-24 age group declines from a peak of 37 million in 1980 to an estimated 24 million in 1990—there will be an increase in the black and Hispanic youth populations. Also, women, who accounted for 60 percent of the net labor force growth since World War II, will continue to enter the labor force in large numbers though the rate of increase in their labor force participation may be slower.

Service Sector Growth By 1990, an estimated 72 percent of the labor force, or more than 89 million workers, is expected to be employed in service-producing industries. In 1940, 56 percent of the work force produced goods through manufacturing, farming, construction, and mining. By 1980, this had dropped to 31 percent. During the same time workers employed in service-producing industries such as transportation, banking, health care, government, education, and wholesale and retail trade *increased* from 44 percent of the total to 69 percent.

Among occupations, office and service jobs rose much more rapidly than did production worker jobs. From 1972 to 1980, blue-collar workers accounted for just one-seventh of job growth compared to their one-third share of total employment. This trend is expected to continue but less dramatically.

High Technology Industries The recent and rapid growth of high technology industries, such as electronics, computers, and aerospace, is expected to continue, but at a more moderate pace. While these industries will still account for a relatively small percent of the jobs in 1990, they are rapidly becoming important basic industries, perhaps as much as the automobile industry has been for the last four decades, and, as such, may affect the health of a whole host of satellite industries and the general economy itself.

Other Manufacturing The modernization and automation of other manufacturing industries will cause a shrinkage of jobs in a number of those industries. (Some analysts have estimated that automation could eliminate 200,000 jobs by 1985 in the automobile industry alone.) The jobs that remain will be considerably different from the mass production jobs of the past.

The key to American industrial expansion has been the refinement and exploitation of mass production techniques. But those techniques are now rapidly being adopted throughout the world, undermining the competitive edge of American manufacturing. Rapidly

changing technology, the diversity of world markets, and other factors will require more flexible production processes and management techniques.

High Level Training Changes in the nature of existing jobs as well as the creation of many entirely new jobs are likely to require higher levels of skills so that young workers and others seeking entry-level positions may find fewer unskilled and semiskilled jobs available. The Bureau of Labor Statistics estimates that by 1990 three out of four jobs will require some education or technical training beyond high school. And even those jobs which do not require specialized skills will require a solid foundation in the basic academic skills. Without this special training and improved educational attainment, many may be unable to find regular work.

This situation will be especially troublesome for minority youth, who have high dropout rates and disproportionately high levels of unemployment. Similarly, adults who have low education and skill levels may face more limited job prospects in the future because of technological advancement that requires higher levels of or different occupational skills.

Geographic Shifts Major shifts in population from the northeast and midwest to the west and south, and from urban centers to suburban and rural areas will continue to cause dislocations in various regions of the country.

These conditions present new and serious challenges. Economic recovery alone will not meet all of these challenges or solve all of the problems. They are causing great hardship today and, unless adequately addressed, will continue to be a significant destabilizing influence. Indeed, the strength and durability of economic recovery will be largely dependent upon our understanding of and response to these expected changes.

A Framework for National Employment Policy

The National Commission for Employment Policy has carefully reviewed the major issues relating to employment over the years. The Commission's *First Annual Report*, published in 1975, was entitled *Toward a National Manpower Policy*, and attempted to lay out a framework for national employment policy appropriate to that time. The Commission's *Sixth Annual Report* addresses the effectiveness of federally funded employment and training programs. The *Seventh Annual Report* describes the variety of activities going on at all levels of government, as well as in the private sector, to promote education, training, and employment.

The Commission's *Eighth Annual Report: The Work Revolution* focuses on changes expected to take place in the work force and the workplace over the next decade. These impacts will be profound and require a new employment policy that not only addresses the needs of the currently unemployed but the employment needs of the Nation for the next 20 years. Such an employment policy must be based on a sound framework that will stand the test of time.

What Is Employment Policy?

The establishment of policy in a given area provides the framework into which legislation and administrative action can fit. Without policy, both legislation and administrative action are subject to the concerns of the moment without regard to an overall goal. Policy exists when it is both clearly stated and actively pursued. Administrative or legislative statements of policy alone have little effect without active and continuing commitment to achieving the goals outlined.

Effective employment policy is a component of general economic policy. It asks: Where should the economy be headed and how can the various major institutions (e.g., government, business, labor, education) work together to achieve that goal? It involves promoting activities that both directly and indirectly affect the creation of jobs and the preparation of workers for those jobs. As such, it overlaps and must be reconciled with other policy areas, such as general fiscal and monetary policies, as well as training, education, temporary income support, economic development, trade, defense, and other related policies.

This implies a certain amount of planning and broadly coordinated action. In their own operations, private corporations have long devoted resources to planning based on careful economic analysis. The American public has also accepted planning in a variety of areas at the State and local levels, but has, with few exceptions, remained unconvinced of the need for it at the national level. Thus, what has traditionally been referred to as "employment policy" at the Federal level has been a rather narrow set of remedial and supplemental programs that aim to provide direct training, temporary income maintenance, job search assistance, and "job creation" for the currently unemployed.

However, by its very size—currently some 23 percent of the gross national product—and its impact on nearly every aspect of American life, the Federal Government greatly affects the economy and employment situation whether or not a coherent policy is developed and pursued. The Federal Government also remains the major institution responsible for promoting national economic growth, for facilitating adjustments to major labor market shocks, and for promoting equal opportunity for all American citizens. Thus,

it seems only wise that the Federal Government organize its activities with maximum employment benefit in mind.

In the American context, successful national employment policy requires a collaborative relationship among all levels of government and with business, labor, and the education system—all of which, as institutions, operate more or less independently in the creation of jobs and the preparation of workers for those jobs. And, in the end, success depends on the actions of millions of individuals—workers, managers, students, homemakers, entrepreneurs. Coherent institutional policy provides the context in which the decisions of individuals are made easier and more productive.

The Principles

Sound policy is based on the application of sound principles. The following principles should guide the development of a clear and consistent national employment policy.

Employment policy should be an integral part of overall economic policy and conversely, economic policy should be a major concern of employment policy. The success of economic policy should be judged first of all by its ability to provide jobs for American workers. Similarly, employment policy that does not take the nature, structure, and conditions of the general economy into account is of little value.

Employment policy should be conceived and developed as a partnership among private industry, labor, education, and all levels of government. Experience has shown that the Federal Government acting alone cannot begin to solve the complex problems related to employment and economic progress. The Federal Government does have a significant leadership role to play in the process, but without the full collaboration of the other institutions throughout the Nation, employment policies cannot achieve their purpose.

This means that each partner should not only have opportunities to affect the development of policies but should also have the responsibility to contribute to the implementation of those policies. For instance, if educational institutions are expected to provide potential employees with the skills that employers need, employers have a corresponding responsibility to work closely with educational institutions in providing information on their skill needs.

Employment policy should be both preventive and remedial. Employment policy should be more than a series of measures designed to address the needs of the currently unemployed. It should seek to ensure that *all* workers are adequately prepared to meet the needs of a changing labor market through education and training of the entire population. It should also address increasing the demand for workers through promotion of economic development efforts, encouragement of technological advances to keep the economy competitive, and advocacy of general economic policies that lead to the creation of permanent jobs.

Programs designed to address the needs of the currently unemployed are essential, but they should be developed in the context of an overall employment policy.

Employment policy should both facilitate the changes in the private sector and assist individuals in preparing for and adjusting to those changes. Measures that enhance productivity, assist the individual in developing saleable skills, and are responsive to a changing technology and labor force serve to increase the production of goods and services and the employment of American citizens.

Each level of government has an appropriate role in the development and execution

of employment policy. The Federal Government is the major institution with the responsibility for the national economic climate, with the capability for dealing effectively with international trade and finance, and with the necessary resources to address the general employment needs of the Nation.

At the same time, the United States has a diverse economy, and policies developed for the Nation as a whole often are not suitable for individual States and localities. Thus, Federal employment-related programs should be organized to allow the full and flexible participation of government, education, business, and labor in State and local areas. Federal actions should actively promote State and local employment policies that are responsive to the needs and opportunities presented by local economies, but that are not inconsistent with growth elsewhere in the Nation.

Reliable and consistent information is essential if employment policy is to be responsive to continuously changing economic conditions. To make sound decisions, policymakers must have a continuous flow of objective, usable information on the characteristics of the population, labor force, and general economy. Therefore, a major requisite of employment policy is that it support the development and improvement of national, State, and local information systems. These systems must provide clear, timely, and reliable information without sacrificing the confidentiality of businesses and individuals.

To the greatest extent possible, general employment policies should remain stable over time although these should be designed with enough flexibility to accommodate shifts in economic conditions. Constantly changing policies are inefficient, inhibit long-range planning, and unintentionally stifle the actions of individuals and institutions. At the same time, over-prescription and narrowly tailored policies must constantly be revised or discarded because they lack the flexibility to meet changes in labor market conditions.

Clarity and simplicity of administration should be a major concern in the development of employment policy. Programs must have clear and defined purposes or they can easily get lost in the pursuit of multiple and conflicting goals. Similarly, programs that can only be implemented through complex regulations requiring or prohibiting a great number of specific activities are very difficult to administer effectively.

Policies should be judged against their ability to produce results that are both efficient and equitable. Efficiency is achieving the greatest return for the resources expended. Equity refers to the fairness of the policy as it affects particular individuals or groups in society compared to others.

The development of effective employment policy requires patience. Programs designed to implement policies take time to have effect. Moreover, many of the changes that are now beginning to take place in the labor market will evolve over the remainder of this century. Long-term solutions will be required to meet that challenge.

Recommendations

A new philosophy should guide employment policy. Employment policy should assist individuals to participate successfully in the process of private sector change, and facilitate change in the private sector to promote the development of new employment opportunities. Based on this philosophy, on the economic considerations described earlier, and on the employment policy principles outlined above, the Commission makes the following general recommendations for action to improve the employment situation now and for the future.

Since policies are, by their nature, adopted by institutions, these recommendations are directed to the major American institutions that affect employment opportunities. However, the Commission recognizes the fundamental rights and responsibilities of individuals to choose their field of work, to make efforts to adequately prepare themselves for entry into the labor force, and to maintain the relevance of their skills in the labor market. This does not imply that individuals can be held responsible for the economic conditions that may cause them to become unemployed through no fault of their own, but there remains a need for individuals to take responsibility for their personal employment decisions.

The recommendations listed below are largely general in nature and the Commission intends to make future specific recommendations in these areas as may be appropriate.

The Federal Government should establish a new priority for employment policy in the development of its overall economic policies. The American people want and need economic policy that achieves growth, especially in the private sector. An employment policy cannot be effective unless employment is a key consideration in economic policy.

The private sector needs to assume responsibility, in a spirit of enlightened self-interest and without government coercion, for its part in maintaining high levels of productive employment. To this end, corporations should:

- Develop employment policies of their own by retraining workers to follow the advance of technology and through other means to avoid mass layoffs, and actively participate in adjustment assistance for workers where layoffs must occur;
- Work closely with local school systems and institutions of higher education to upgrade employment-related education; and
- Actively participate in the private industry councils created under the Job Training Partnership Act and take other actions to assist the structurally unemployed to become productive workers.

Similarly, organized labor needs to assume responsibility, again in the spirit of enlightened self-interest and without government coercion, for its part in maintaining high levels of productive employment. To this end labor organizations should:

- Encourage increased productivity by their members through such efforts as cooperation with employers and government entities in developing training and retraining programs, including new forms of apprenticeship, which assist workers in adjusting to changes in technology;
- Work closely with local school districts and training institutions to ensure that students are qualified to enter the labor market; and
- Actively participate in local private industry councils and take other actions

to assist the structurally unemployed to become productive workers.

State and local governments should develop comprehensive employment policies that:

- Involve the private sector, education and training institutions at all levels, organized labor, community organizations, and various government-sponsored employment-related programs and agencies;
- Address the need for the creation of new jobs, especially in areas of high unemployment, through a broad range of economic development efforts; and
- Coordinate education and training activities at all levels so that individuals will have saleable skills to meet the needs of growing economies.

A Federal, State, and local education partnership should be established to promote preparation for employment as a major educational priority that expands on efforts in the following areas:

- Improved student performance in English, mathematics, science, reasoning and problem-solving skills, and other basic skills necessary for employment;
- Provision of education on the basic requirements of the world of work, career choices, employment opportunities, and job-seeking skills;
- Remediation for those who fail to progress adequately in grades 1 through 12;
- Special efforts to prevent high school students from dropping out, and special services for high school dropouts so that they can acquire the basic skills necessary for a high school degree;
- School-to-work transition programs for secondary school students who do not plan to continue their education and that build an incentive for schools to be accountable for the skills of their students and act to prevent future unemployment;
- Concentrated efforts to eliminate functional illiteracy among adults;
- Vocational skills training and retraining, especially through postsecondary schooling;
- Efforts to improve the relationship between higher education and anticipated areas of critical labor market demand.

Remedial and supplemental employment-related efforts should be expanded in the following areas:

- Improved training of economically disadvantaged youth and adults under title II of the Job Training Partnership Act. The largest segment of the structurally unemployed population remains those who have low incomes and lack the skills to compete in the labor market, even when the economy is prosperous. The Job Training Partnership Act takes full effect in October 1983, and the Federal Government should work closely with State and local governments to ensure its success;
- Careful design and implementation of the program of assistance to dislocated workers under title III of the Job Training Partnership Act;
- A strengthened link between receipt of Unemployment Insurance and reemployment and retraining services for dislocated workers early in their period of unemployment—while their attachment to the labor force is still strong and before they become discouraged;
- Continued encouragement of the States to permit Unemployment Insurance recipients to participate in retraining programs during the initial wholly State funded 26-week period of unemployment benefits;
- Continued protection of the economic viability of the Nation's Unemployment Insurance system by the Federal Government in cooperation with the

States;

- Improvements in the functioning of the Federal-State Employment Service program for providing labor exchange services especially in the areas of assessment, counseling, and job search assistance.

International trade policies should be pursued that maximize the employment benefits of world trade for American workers and meet the Nation's obligations to its trading partners. Job creation through expanding exports of American goods and services should be a major concern of government policy. At the same time, our policies should afford domestic industries with the opportunity to compete successfully in international markets. The Commission also recognizes other countries' need to trade with the U.S. and that such trade benefits American consumers and workers. Imports enlarge the range of goods available to U.S. consumers and because these imports increase employment and income of workers abroad, they create or maintain markets for American exports.

New approaches to carefully assessing and systematically addressing the long-term maintenance and expansion of the Nation's economic infrastructure should be developed and adopted at all levels of government. Investment in transportation (highways, rail, air, seaports), communications, and other facilities are fundamental to private sector growth and efficiency. Such facilities provide the underlying basis for the overall development of the American economy and the creation of millions of future jobs.

Private industry, government, and educational institutions should actively collaborate to support research and development activities. The development of new technology is one critical area in which the United States still commands a significant, albeit diminishing, lead. This lead must be sustained for the long-term health of the economy. This support should include basic research, even if immediate application in commercial and industrial fields is not readily apparent.

Economic development efforts for areas of high unemployment should be vigorously pursued. These efforts should be supported by all levels of government in close cooperation with labor, private industry, and educational institutions.

Policies to eliminate discrimination in the job market should continue to be actively promoted. The productivity of the work force is greatly enhanced when the skills of all workers are used to their greatest potential. Therefore, efforts to eliminate discrimination against the disabled, women, and racial and ethnic minorities are beneficial to the entire economy. In addition, mandatory retirement at any age should be eliminated, as well as government policies that penalize older Americans for remaining in the labor force past age 60.

Conclusion

The National Commission for Employment Policy believes that, if these recommendations are adopted, the economic and employment challenges to the Nation in the coming years can be successfully met. We urge business, labor, education, and the public through its elected representatives at the national, State, and local levels to address these challenges in a forthright and timely manner.

GPO 901-118